

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 3891 - HB 3860

February 22, 2010

SUMMARY OF BILL: Specifies information that must be provided in a newspaper advertisement for judicial deed of trust or mortgage foreclosure sales; directs the Secretary of State to establish a Web site for filing and posting notices of foreclosure sales; and authorizes the Secretary of State to assess a fee of an amount not to exceed \$50 for filing the notice of foreclosure.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue - \$520,000/FY10-11
\$1,040,000/FY11-12**

**Increase State Expenditures - \$219,300/One-Time/FY10-11
\$5,800/Recurring/FY10-11 and Subsequent Years**

Assumptions:

- According to the Secretary of State's office, the development and programming costs for the foreclosure registry will be incurred during the first half of FY10-11. The registry go-live date is January 1, 2011; revenue will only be generated for the last six months of FY10-11.
- The registry foreclosure notice will contain the names of the plaintiff and defendant or interested parties, a description of the land including the street address if available, and the time and place of the sale.
- The number of foreclosure filings of the original notice will average 600 per week at \$30 per notice (600 x \$30 x 52 weeks = \$936,000).
- The number of foreclosure filings of the updated notice after the sale will average 200 per week at \$10 per notice (200 x \$10 x 52 weeks = \$104,000).
- Total annual revenue is estimated to be \$1,040,000 (\$936,000 + \$104,000).
- The increase in revenue for the last six months of FY10-11 is estimated to be \$520,000; total recurring revenue for the full year of FY11-12 is estimated to be \$1,040,000.
- One-time expenditures of \$219,312 include a business analysis cost of \$30,312 and \$189,000 for the changes to the programming code for the BEAR system.

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- Recurring expenditures are estimated to be an annual cost of \$5,760 for monthly Web services disk storage space for images and hits.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

/rct